

# Great River Energy Board Meeting Summary

## May 1-2, 2024

### Maple Grove, Minnesota

#### Topics of interest from the May board meeting

##### **CEO update**

President and CEO David Saggau provided the following report:

- ▶ Another month of mild weather kept demand and energy sales below budget but once again had little adverse effect on monthly financial results.
- ▶ The year-to-date margin is \$(12.4)M compared to a budgeted margin of \$(10.7)M for a negative variance of \$1.7M.
- ▶ Demand and energy sales are 4.7% and 5.8% lower than budget, respectively, year to date.
- ▶ GRE is in the midst of rating agency meetings. GRE has many metrics the rating agencies view as positives, such as: rates 22% below weighted regional average, largely carbon-free power supply portfolio, and high member satisfaction.
- ▶ Meetings attended include Moody's Ratings, Fitch Ratings, and Missouri River Energy Services CEO Matt Schull.
- ▶ Upcoming meetings include S&P and APEX CEO Ken Young.

##### **Financial update**

Vice President and Chief Financial Officer Michelle Strobel provided an overview of March financial results.

- ▶ The March margin was \$(7.6)M compared to a budget of \$(7.5)M for small unfavorable variance.
- ▶ Year-to-date member revenue is \$(10.7)M below budget, non-member revenue under budget \$(13.5)M, other revenue over budget \$0.1M, and non-operating revenue over budget \$1.4M.
- ▶ Year-to-date ownership expenses are over budget \$0.6M, fuel expenses under budget \$(5.9)M, purchased power under budget \$(14.9)M, O&M expenses under budget \$(0.8)M, and the margin is an unfavorable variance of \$(1.7)M.
- ▶ Demand and energy sales were 8.1% and 2.8% lower than budget in March, respectively.
- ▶ The PCA for March is a \$0.6M charge to members and year-to-date is a \$0.5M charge to members.
- ▶ GRE will receive \$0.8M from capacity sales in the MISO auction process.

##### **Business improvement**

Power Supply Portfolio Hedging Manager Adam Klick presented a business improvement on a weather temperature forecasting tool that resulted in improved performance of GRE's combustion turbine fleet, maximization of future capacity accreditation in the market, and a more efficient and accurate generation offer process that complies with new MISO requirements.

For more information about the May meeting of GRE's board of directors, contact Daniel Becchetti, communications and marketing manager, at 763-445-5706. The next meeting will be June 5-6.